

APPROPRIATION (RECURRENT 2015–16) BILL 2015

Third Reading

DR M.D. NAHAN (Riverton — Treasurer) [7.15 pm]: I move —

That the bill be now read a third time.

MR B.S. WYATT (Victoria Park) [7.15 pm]: I rise to say a few words on the third reading of the Appropriation (Recurrent 2015–16) Bill 2015. I want to spend some time on a general area in particular that, to be frank, probably reflects more on the federal taxation system, but I emphasise the point that I have said time and time again, and this budget is no different. When we have a laissez faire attitude to a consistent financial plan, we will end up in trouble. We will end up with the credit rating situation that we have and a deficit this financial year and the projection of a couple more. I will give three examples around this process that the government has gotten itself into of booking revenue and having to walk away from that revenue. First, we have the students of 457 visa holders. We all recall that being part of the late-departed fiscal action plan of 2013–14, whereby the government booked revenue despite the fact that education had not been asked and no-one really knew how many students there were. Second, we have the royalty review, whereby nearly \$700 million in the end was booked that had to be reversed in this budget. Third, the expansion of the metropolitan region improvement tax to regional WA had to be reversed, not in its entirety, but, by and large, a significant percentage of that revenue had to be pulled out of the forward estimates. That is not the way to go about handling the finances or managing a consistent, credible financial strategy. The way the Barnett government has gone about this has always been its weakness, which is why it has been whacked by the credit rating agencies. This is due to the government's lack of political will and credibility. When it says it is going to do something, that savings are going to be made and revenues raised, it continues to walk away from those things. I put a question to the Treasurer last week about the workforce development policy and that nearly \$500 million has already been slipped out of that. This is the problem; it is not a one-off situation. I recognise that that will be a policy for which it will be hard to get those savings. But in previous years the government has gotten away with its failures to get savings by the fact that the revenue that came in was greater than expected. The extra revenue hid those sins of the failure to generate those savings, but when revenue is declining, it is not so easy to hide those sins.

During the matter of public interest debate today, we discussed the issue of financial counsellors. I did not speak on the MPI but I want to make this point and then refer to a document for the remainder of my short speech tonight. I saw members of the government get up to talk about things that the government is spending money on and has spent money on. I make the point again that I do not argue that the government has not spent a lot of money. I accept the government's line that it has spent a hell of a lot of money since the member for Cottesloe became Premier. But the real test is this: when the money runs out, how does the government find its savings? Two situations in particular are of note. I know it is hard, particularly on the recurrent side, to find savings; it is difficult. I will emphasise two points. First, the cut in funding for financial counsellors will impact on the most vulnerable in society. Second—I am pleased the government has changed its rhetoric on this—I refer to the commentary from the Premier about remote Aboriginal communities. At no point during the member for Cottesloe's premiership did he raise his concerns about remote communities until there was a fiscal problem. That is the reality. As I said, I do not begrudge the fact that the government is finding savings, but when the government has had a big spell of huge spend, it is always interesting to see where it looks to find savings.

I now want to refer to a very good piece of research put out just last week by the Bankwest Curtin Economics Centre at Curtin University; I went to the launch of the report called "Beyond Our Means? Household Savings and Debt in Australia". I want to make the point that there is a real challenge, particularly for the federal government, around the tax system. I doubt that, given the current climate in federal politics, the federal government is able to resolve this. I know that there is something that I think the Prime Minister is referring to as the "Federation Paper" that will look at this issue around taxation—particularly the key taxes that influence the ways in which people save and take on debt, and what they use that debt for. That is a federal government responsibility and something that we generally do not deal with at the state level.

This is a very, very interesting report because it looks at debt and savings, and there are a couple of points I want to highlight. There were specific references to Western Australia, but it divides Australia up into five quintiles—five groups of 20 per cent of the households of Australia—with each quintile representing around 1.8 million households. I want to quote a couple of points, because it shows to me a worrying trend of inequality in Australia. By that I do not mean income inequality, but the more stark inequality in savings and debt. Page 17 of the report states —

The most prominent feature of household savings by quintile is the difference between the richest one-fifth and the rest. The richest 20% of households (Q5) have an estimated average of \$1.281 million in savings. This is five times more than the average of their nearest neighbour (Q4 \$259,400) and more

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than 200 times the average of the poorest households (Q1 \$5,900). They also have more than 10 times the average savings of a household in the middle (Q3 \$113,500).

Further along, at page 19, the report states —

The richest one-fifth of households have three-quarters of household savings ...

That is, the richest 20 per cent of Australian households hold 75 per cent of household savings in Australia. The report continues —

The second richest quintile control 15% and the remaining six-tenths of households own under 10%.

So, 60 per cent of Australia's households own less than 10 per cent of household savings. The report continues —

This concentration of savings in the hands of the rich is much greater than the inequality of income ... or net wealth.

The point is also made in the report that although the richest one-fifth hold 75 per cent of household savings, the bottom 20 per cent hold 0.3 per cent of household savings. It is an outstanding report; it also goes through where those savings are held, and there are no surprises. By way of an aside, the report excludes the home; this is about savings and where people are putting their money, and it is no surprise that the most significant asset across all quintiles is superannuation. But it also shows something that is reflective of federal government policy, particularly around negative gearing and capital gains tax. There is a graph on page 13, figure 7, that goes through the various household-debt-to-income ratios. It shows the significant amount of debt that people are taking on to put into investment properties. Page 13 states —

The share of debt associated with investment property loans has tripled from one-tenth to three-tenths of total household debt over the last 25 years.

That is a significant increase in borrowing by households to put into investment properties, and that is simply because of the taxation benefits of doing so, in respect of both negative gearing and the capital gains tax changes made by Peter Costello when he was federal Treasurer. The report also goes into the change in where those quintiles are putting their money and saving their money. The graph shows that between 2005 and 2015 there was a 96 per cent increase in superannuation, which is significant, an 82 per cent increase in cash deposits, and a 165 per cent increase in the use of trusts. Unfortunately, I do not have the benefit of a trust; I am not exactly sure how they operate other than to allow people to lower the tax that they pay. As far as I understand it, they allow beneficiaries to utilise, for example, the tax-free threshold on more than one occasion when income is spread over a number of beneficiaries. Of course, it is a fact that the top quintile—that is, the richest Australian households—are making the greatest use of those more complex arrangements within which to hold their wealth, and those sorts of financial mechanisms are not available to the poorest Australian households. We have created a system that allows the richest Australians to minimise their tax—entirely legally; I am not saying it is dodgy—through a range of different ways, whether it is the use of trusts, negative gearing, investment property or the taxation benefits of capital gains.

I return to the point made at the very beginning. It is not so much about inequality of income, because inequality of income is nowhere near as unequal as inequality of savings. As I said, there is 200 times more in the top quintile versus the lowest quintile. Page 53 of the Curtin report states —

One way to measure the uneven distribution or inequality of a resource is to use the Gini coefficient. The Gini coefficient is a standard measure of inequality and it ranges from zero to one. If the Gini coefficient equals 1.0 then one household has all the income, savings or debt, while a value of 0.0 indicates that every household has the same amount.

Further along, the report makes this point —

With three-quarters of households savings are owned by the richest 20% ... it comes as no surprise that the Gini coefficient for savings is 0.72.

That is, it is much more concentrated in a very small number of households. The report continues —

However, the extreme concentration of savings has narrowed slightly from 0.78 over the last decade. So, for at least this period of time, inequality has improved as the rich did not get richer while the poor stayed near zero.

The distribution of household debt is more concentrated than the distribution of savings. The Gini coefficient of the household debt for 2015 is 0.76 —

That is, concentrated heavily —

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is almost unchanged since 2005. Saving inequality may have decreased over that time but the distribution of debt is extremely concentrated and has not change over the last decade.

The report goes on to make the point that whilst all of us—less so, the bottom quintile—have significant assets held in superannuation, it is also changing our behaviour and our willingness to take on more debt. For example, historically, the group in the 55 to 65-year age group have had very low levels of debt, but over the last 10 years they have taken on more and more debt relying, in the end, on a lump sum superannuation payout, which is not what superannuation was intended to do; it was intended to provide Australians with a retirement income that would, hopefully, result in Australians not having to call on the government to provide them with social support in retirement. However, Australians are borrowing more knowing that they have a lump sum accumulation of wealth to come in, which they will then use to pay down debt when they retire, rather than to generate an income. The report highlights that maybe consideration needs to be given to how the superannuation lump sum is used. How we would do that is beyond me, but there are no doubt greater minds in Canberra than mine that are thinking about it.

I make the point—not generally out of specific questions from the budget—that we have a tax system that encourages and provides much greater opportunities for wealthy Australian households to more rapidly accumulate wealth. As I said, the top quintile, the top 20 per cent of Australian households, hold 75 per cent of the entire savings in Australia and 200 times more than the bottom quintile. That is not a sustainable society. We have to fix our federal taxation system, and I hope Mr Abbott is able to come up with some forward pathway to try to resolve this matter. As I have said, this is issued by way of an aside even when I have a short speech to give, I wanted to emphasise that and to commend Curtin University and Bankwest for another fantastic report that raises issues that I hope my colleagues—Labor, Liberal, Green or whatever—in the federal Parliament read and take up seriously, because ultimately we cannot continue to have such inequality in savings and debt and we cannot have a system that supports the wealthier Australians to the detriment of the poorest.

MS R. SAFFIOTI (West Swan) [7.31 pm]: It seems as though a long time has passed since the Appropriation (Capital 2015–16) Bill 2015 and the Appropriation (Recurrent 2015–16) Bill 2015 were brought to this place. Here we are at the third reading stage to discuss the state budget for 2015–16—the worst budget ever. As the weeks go by and as we explore the initiatives undertaken in this budget the more we realise that it is the worst budget ever. Today in debate on a matter of public interest we discussed cuts to financial counselling—a basic service provided by government to those in the community who need assistance. The justification and defence of those cuts by some Liberal Party members were completely out of this world. The member for Southern River said that it is good to have these cuts; it is good not to have financial counsellors. What an extraordinary defence of what is one of the harshest cuts that the government has introduced in the budget. The key point is that those cuts to financial counselling will impact on the state revenue base. Not assisting people in the community to manage their budgets or their affairs in times of crisis will negatively impact on the revenue of some government trading enterprises. It makes not only bad social sense, but also bad financial sense. Today we saw another consequence of the government's mismanagement of the books, so much so that it is now cutting core parts of a key service—that is, financial counselling.

As we have stated a number of times in this place, the government set about wrecking the structure of the state budget. It has created a structural imbalance that has now resulted in an estimated deficit this year of \$1.3 billion and of \$2.7 billion next financial year. There may be some one-off revenues that can impact the budget bottom line, but structurally the government has changed the budget, and we have seen the consequences of that not only on the financial bottom line, but also what it means to cuts to key areas such as financial counselling. This budget shows that the government has no financial strategy. The member for Victoria Park went through the reversal of charging school fees for children of 457 visa holders. We have witnessed the solar feed-in tariff debacle. This budget demonstrates that financial documents presented in this chamber are really only drafts. We expect that financial documents, such as midyear reviews or budgets, to last more than a couple of months. What this government has demonstrated again and again is that it has no financial strategy. It tries to dress it up, it tries to retrofit arguments—currently job creation—to justify the documents or the numbers that it presents, but it has no financial strategy. The only financial strategy of this government is to send us into record debt and deliver for the first time deficits on the recurrent side. This budget demonstrates that the government will not generate enough income to cover operating expenses in 2015–16.

As I said, to liken it to a household, the government is borrowing to put milk in the fridge. That is a situation that a government of Western Australia should never be in, and has not been in for decades. The last time that occurred was in the aftermath of WA Inc. The government is borrowing to put milk in the fridge and not generating enough everyday revenue to cover everyday expenses, despite the pollyanna view of the world by many on the other side. The community now understands what this government has done to the finances. There is genuine concern about the level of debt and the wrong priorities of this government.

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The government likes to go to Elizabeth Quay and make weekend media announcements about the menus of new restaurants or the colour of the statue. The fact is that people understand that is costing taxpayers money. We also now know that the land sales at Elizabeth Quay are not going as expected. Some of those lots are not even going to be put onto the market, because there is no commercial appetite out there for them.

I want to talk about the stadium, because it is a key symbol of the arrogance of this government. The member for Victoria Park said that one of the opposition's key outcomes for the estimates committee process was to find out the true cost of the stadium, because when we pick up the budget papers we cannot see it. The stadium is a major infrastructure cost and someone has calculated that in the past year there have been 32 media statements about the size of the seats, the size of the TV screens, the range of the radios in the toilet and the type of burger that will be served, but when we try to find out what the total cost of the stadium will be—what is the cost of an obligation entered into by this state government—it is not in the budget papers. I have gone through them. I have gone through the *Economic and Fiscal Outlook*, specifically page 169. It should show the total cost of the stadium, but it does not show the total cost of the stadium. I have gone through the Department of Sport and Recreation budget. It shows the cost of the stadium precinct and the sports precinct but not the total cost of the stadium. I have gone through the figures for VenuesWest, the manager of the stadium, and in that sense the owner of the stadium, and have not found the total cost of the stadium. I have gone through the figures of Treasury, under which the Office of Strategic Projects and Assets Sales sits, to find the total cost of the stadium, and have not found the total cost of the stadium. The government has produced a budget that does not provide the total cost of a major infrastructure project on which the government carries out media stunts every week. The government cannot show the total cost of that project in the budget. So we asked the Premier what was the total cost. I cannot remember what he said, but I do remember that he was very, very grumpy at that stage.

Mr J.E. McGrath: He doesn't get grumpy.

Ms R. SAFFIOTI: I might need to propose a motion to suspend standing orders because the member for South Perth may be misleading the Parliament with that statement! I am sure most members would side with me on that. It is not like the member for South Perth to deliberately mislead the Parliament.

I have been around this place for a long time and I have watched the estimates for a long time—for nearly 20 years—and I know that Premiers do not like estimates, but from the first question it was astounding to witness the Premier's performance. It was quite funny. I am so used to his grumpiness that I did not notice it. People said to me afterwards, "Gee, he was grumpy", and I said, "Yeah, maybe; I'm just so used to it." From the first question his hostility was incredible. I remember we asked a question—I cannot remember what it was about—and the adviser had the information in front of him. The Premier said, "Can't give you that", and I said, "The adviser wants to give it to us. Just ask him. The adviser has it there." After asking about 10 times, we finally got the answer. The adviser had the information. It was a deliberate attempt to stifle accountability. The concept was that we walked into estimates and the Premier was surprised when the opposition asked him a question. This is what we had to contend with: a Premier who walked into estimates and was horrified that the opposition had prepared some questions! Honestly! Last time I checked this was a democracy and the opposition asks questions of the Premier. I asked him about the costings for Perth Stadium and he said, "It's all there." It was similar to the costings debacle back in 2005. Members will remember that when journalists asked him the total cost of the election commitments, he said that it was all there, but it was not. It was actually very similar to his tone in the 2005 press conference when he was asked about the costings; it was not all there.

We then asked questions of Treasury. As I said, we understand that costings are a complex arrangement. However, the fact is that the government deliberately tried to hide the true cost of the stadium. As the member for Victoria Park said, when we added up the information we had the day after these questions, we could not get the Office of Strategic Projects to tell us the true cost. I was sitting on the phone waiting to be interviewed by John McGlue and who did I hear? I heard Richard Mann on the radio going through in detail the true cost.

Mr B.S. Wyatt: How did that happen?

Ms R. SAFFIOTI: How did that happen? The government could not give us the information the day before, but it was happy to go on John McGlue's program to defend its position. In relation to that, too, it must be pointed out that the \$1.6 billion figure is wrong; it is actually more than \$2 billion. That was confirmed in the argument. I want to refer to the supplementary information.

Dr M.D. Nahan: Ha, ha!

Ms R. SAFFIOTI: The Treasurer should stand up and describe it.

Dr M.D. Nahan: Why don't we go for \$5 billion? It sounds like a bigger number. Make it up.

Ms R. SAFFIOTI: The Treasurer had no idea on the day. Seriously! If the Treasurer thinks that he is so smart, why did he not have the answer when we asked him the question? He is sitting there as Treasurer —

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Dr M.D. Nahan: Show us your \$2 billion. Come on! Let's go through fiction!

Ms R. SAFFIOTI: Richard Mann on radio —

Dr M.D. Nahan: Come on with this exercise in fiction.

Ms R. SAFFIOTI: I will go through the latest.

Dr M.D. Nahan: The latest one.

Ms R. SAFFIOTI: The Treasurer obviously does not read any of the answers that he provides to the opposition.

Dr M.D. Nahan: Let's go! Come on! Next week it'll be \$3 billion!

Ms R. SAFFIOTI: The Treasurer had no idea when I asked him the question because he does not understand the numbers.

Dr M.D. Nahan: Ooh!

Ms R. SAFFIOTI: He does not. He did not understand the targeted redundancy program when I asked him about it. He did not understand that.

Dr M.D. Nahan: I did.

Ms R. SAFFIOTI: No, he did not.

Dr M.D. Nahan: You weren't listening. There's a difference between my understanding and your comprehension.

Ms R. SAFFIOTI: No, he did not understand it. I know when someone is not understanding. The Treasurer did not understand it. He thought that \$1.2 million was applying to Health. He had no idea.

Dr M.D. Nahan: Oh yes, right.

Ms R. SAFFIOTI: I remember; he had no idea.

Let us go through the cost of the stadium. The supplementary information we got was \$1.22 billion for the design, build, finance and maintain contract. The stadium precinct and plaza is on top of that, as well as the transport infrastructure. That cost goes well beyond anything the Treasurer has ever said in this place. As we are talking about the recurrent side of the budget, I ask: what will be the impact on the operating account? The government enters into an obligation that has monthly service payments and does not show them in the budget.

Dr M.D. Nahan: Capitalised for 25 years up-front, all accounted for.

Ms R. SAFFIOTI: No, it is not.

Dr M.D. Nahan: Yes, it is.

Ms R. SAFFIOTI: It is not.

Dr M.D. Nahan: Twenty-five years up-front and that includes repayment of interest and capital.

Ms R. SAFFIOTI: The Treasurer does not understand that the \$422 million relates only to the capital construction costs; it does not relate to the interest and other finance costs.

Dr M.D. Nahan: It does.

Ms R. SAFFIOTI: It does not.

Dr M.D. Nahan: Go on and spin a facade here. It is absolute nonsense.

Ms R. SAFFIOTI: The Treasurer does not understand.

Dr M.D. Nahan: And you want to be a Treasurer!

Ms R. SAFFIOTI: I have gone through this matter line by line, I have gone through all the evidence given by the Premier, all the evidence given by the Department of Sport and Recreation, all the evidence given by Treasury and all the evidence given in the upper house.

Dr M.D. Nahan: And you made it up.

Ms R. SAFFIOTI: You know what?

Dr M.D. Nahan: You know what!

Ms R. SAFFIOTI: The Treasurer does not know what he is talking about in relation to the stadium.

Dr M.D. Nahan: Oh yes!

Ms R. SAFFIOTI: There is \$1.2 billion to the DBFM, the plaza and other associated costs and the transport infrastructure. Monthly service payments are not included in the budget.

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Dr M.D. Nahan: And interest payments and repayment of capital over 25 years of 40 per cent of the value of the property.

Ms R. SAFFIOTI: They are not included in the budget. The Treasurer does not know. Seriously, he does not know.

Dr M.D. Nahan: Yes, right!

The ACTING SPEAKER (Nathan Morton): Treasurer!

Dr M.D. Nahan: Why don't we go for \$3 billion? That sounds nice. Don't you think so? Go for five!

The ACTING SPEAKER: Treasurer, I would like to hear from the member for West Swan.

Ms R. SAFFIOTI: Monthly service payments are not included in the budget because the government is assuming that the operator will cover them. Even though the state has entered into an obligation—an obligation—to make monthly service payments to Westadium, and I quote, “to cover the cost of maintenance, lifecycle replacement, services and associated funding costs”, this does not include the capital. It is exclusive of the \$422 million. Even though the government has entered into a contract to make monthly service payments, they are not included in the budget. I do not know how we can have a budget brought down that does not include a key component of the stadium cost and the Treasurer is unaware of it. How did we get to this point?

Dr M.D. Nahan: You made it up. You fabricated it.

Ms R. SAFFIOTI: As we said, these budgets are always a draft. They change week after week. There is no financial strategy.

Dr M.D. Nahan: Accounting is complex and is something beyond your comprehension.

Ms R. SAFFIOTI: There is no financial strategy. It is a matter of the Treasurer making it up as he goes along. He is justifying \$1.7 billion on a stadium while cutting funding for financial counsellors.

DR A.D. BUTI (Armadale) [7.45 pm]: I rise to speak on the third reading of the Appropriation (Recurrent 2015–16) Bill 2015. I would like to refer to a couple of matters. One relates to the estimates hearing in regard to Education in which I was involved. Basically, I brought up the issue before that in Education we seem to live in a different world from that in which many of the government members live. It was revealed during estimates and also today that more than 500 education assistants will lose their jobs. The Premier seeks to justify that by saying that they may be at a school in which the person with a disability has moved on. There might be some cases like that but not all of them—not in many of the schools in my electorate. The primary schools in my electorate that have required an education assistant five days a week can now finance education assistants for two days a week. What happens for the other three days? The students with special needs are still at the school and need to be looked after. What happens then is more pressure is put on the teacher in the class. That affects not only the student with a disability, but also the rest of the class. For the Premier to argue, “Oh, well, of course students move on”, in some of the schools in my electorate the teachers are pulling their hair out. The principals do not know how they will cope when they have had education assistants for five days a week and now they will have them for one or two days a week.

I am told that in the education department about 17 people work in integrity and professional standards and only three people work in disability service support. We have three people for disability service support but we have 17 people in professional standards and integrity. Do we not trust teachers? Of course there will be some teachers who are not up to the mark. The Acting Speaker (Mr N.W. Morton) has worked in the teaching profession for many years, and I am sure that overall he would attest to their professionalism. The department does not need 17 in that area and then only three in disability service support. I think the government and the education department need to look at the priority given to that matter.

I refer to financial counselling. The fence that the government has tried to put up by the cut in funding for financial counselling services in the Department for Child Protection and Family Support is unbelievable. The performance by the member for Southern River today was not one of his finest moments. Go and ask people who use a financial counselling service whether they require it. It is stated that it is now not a front-line service requirement for Child Protection. The problem with that argument is that many children in the care of Child Protection are not there as a result of abuse; they are there as a result of neglect. Often their parents are unable to properly cater for them and to properly deal with financial matters. The government is trying to save X number of dollars by taking away funding for financial counselling, but it does not realise that it will result in greater demand for other government services. As we all know, financial pressure is one of the greatest reasons that families split up and that children are put into care. Also, while not excusing or justifying it, it is the reason for many domestic violence situations. We will not actually be saving any money.

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I turn now to some of the information received by financial counsellors, and the issues that they deal with. It is claimed that they only see 1.x number of clients a day. As they state, the average financial counsellor sees at least two new clients a day as well as seeing clients at follow-up appointments day after day. They have a very heavy caseload to carry. When I went to see one of the financial counsellors in Armadale last week, they had a pile of files this high, which I know is not very good for Hansard, but it was very high. It was a very heavy workload. They deal with issues of mortgages, council rates, the Water Corporation, Synergy, Alinta, car loan providers, credit card providers, short-term lenders et cetera. If people do not have access to financial counsellors they will have to seek professional help elsewhere, and where is the money for that? The member for Southern River said that they do not need assistance with hardship utility grant scheme applications. They may not need assistance for a one-off HUGS application but ongoing financial management is needed for many people who are not in a position where they can cope with their financial situation; they need the assistance of a financial counsellor. This is a very short-term measure. I do not think the government has actually thought about the consequences, which will be greater stress and greater demand on government services. A greater amount of debt will have to be met by families and it will also lead to an increase in bankruptcies. This is an incredibly short-term and wrong decision, and it is a decision that does not have any heart.

The Department for Child Protection and Family Support may say that it is not core business, so move it to another department. There should still be financial counsellors. We could move them to the Department of Commerce, which deals with many different sorts of contractual obligations. Nearly all financial counselling advice relates to contracts and financial obligations that people have accumulated as a result of contractual negotiations. If it is not a prime or fundamental role of the Department for Child Protection and Family Support, move it to the Department of Commerce. It is definitely needed.

The next area I would like to move on to is actually a good-news story. It is not actually in the budget papers per se, because the amount of money that the state government contributes to the Clontarf Foundation is not as great as the federal government and private funding, but I know the Clontarf Foundation wants to engage the state government more. I suppose that most people have some idea of the Clontarf Foundation. It was established in 2000 by Gerard Neesham, the first coach of the Fremantle Dockers. The idea behind the Clontarf academies is to use football as an instrument for educating Indigenous kids. Now it has moved on to netball and cricket. It started off at the Clontarf school in Manning, but now it has more than 180 academies across Australia. It has been an unbelievable success. A study done by Acil Allen Consulting looked at the impact of the Clontarf academies. These are just some of the findings —

Overall, \$1 invested in the Clontarf Academies returns \$8.13, a benefit of \$2.17 after accounting for the time value of money. For more remote locations the return is \$9.41, a benefit of \$2.60; for less remote, it is \$7.46, a benefit of \$1.96. These indicate significant returns on investment, showing that the Clontarf Academies represent good value for the public.

Clontarf males are more likely to be employed than non-Clontarf males. Clontarf males are likely to pay \$51 000 more in income tax over their working lives and receive \$74 000 less in welfare payments. Clontarf males are less likely to have chronic health conditions, resulting in public health savings of at least \$55 000 over their working lives. Clontarf males are less likely to offend, resulting in almost \$5 000 of avoided costs per year. I have talked about the benefit of each dollar invested in Clontarf academies. It is quite significant, in both economic and social terms.

Mr I.C. Blayney: It is quite successful in Geraldton.

Dr A.D. BUTI: Of course it would be. There are many academies, but Geraldton is a very successful one. Of course there is a Clontarf academy at Cecil Andrews Senior High School. A very interesting study was conducted by the Centre for Population Health Research at Curtin University titled “Assessment of Offending by Participants of the Clontarf Foundation Programme”. Basically, the researchers got permission to look at a sample of Clontarf graduates and determine whether they ended up having criminal records after leaving the academy. It was really interesting when compared with the Indigenous non-Clontarf population. Some of the findings are —

The study showed, by age 24, offending prevalence amongst the general Aboriginal male population was three times that of the Clontarf participant group (29% for the Clontarf participant group compared with 86% for the general male Aboriginal population). The study found that the rate of (re)offending amongst the Clontarf offenders was substantially lower than that of a comparable matched offender group and that this difference extended over a long period (almost 10 years).

...

After five years, approximately 25% of Clontarf offenders had been arrested/re-arrested, compared with approximately 60% of non-Clontarf offenders.

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Overall, the average time taken to be arrested/re-arrested following completion of the Clontarf programme was 8 years. In contrast, the average time taken for the matched non-Clontarf offender group to reach the equivalent arrest event was 4.2 years. Thus, on average, Clontarf offenders took nearly twice as long to (re)offend than offenders with similar demographic characteristics and prior arrest history.

These are incredibly significant and powerful findings, and I urge the state government to look at increasing the investment in these Clontarf academies. I know that royalties for regions has been one of the significant funders in the country areas. The results speak for themselves. It was a great initiative by Gerard Neesham. I also have to give credit to the Carpenter government, because the foundation almost fell over in its early days, and the Carpenter government provided the necessary financial support and every government since then has supported it, and it has been very well supported at the federal level. It will not have a 100 per cent success rate, but its success rate is incredibly powerful, looking purely at the statistics from an economic perspective, and from a social perspective it has been quite unbelievable. I think we do not talk about it enough, but we should be using it as an example for dealing with other marginalised and disaffected groups of people, especially young people. We should applaud anything that increases attendance at schools and keeps people out of the criminal justice system. I have a letter here from the principal of Broome Senior High School, who discusses the attendance rate of Indigenous students. Broome high school has a significant proportion of Indigenous students. The attendance rate since the academy started at Broome Senior High School has been quite extraordinary and not just for the kids who are part of the academy at the school. It also applies to the other students. There has been an overall increase in attendance, but a greater increase in attendance amongst the people attending the academy. I also have a letter from Western Australia Police in Carnarvon, which states —

In the short time that the Carnarvon Clontarf Academy has been running the community of Carnarvon has witnessed significant reductions in serious criminal offences such as Burglary and Motor Vehicle Theft. Against the five year average in Carnarvon for these offences we have seen reductions of 83% for Burglary and 80% for Motor Vehicle theft. This has had a significant impact on the community and its 'feeling of safety'.

The reductions seen in criminal activity is directly in line with the commencement of the Carnarvon Clontarf Academy.

That is amazing. I really feel that we do not champion that enough. I was speaking to people at the Clontarf Foundation who acknowledged the member for Wagin's input and interest in the academy, but I urge him to speak about it a bit more, because I think it has been a phenomenal success and we really need to look at it from a state government point of view. The academy has done great work, but it requires significant further funding. If we were able to do that, many of the problems we have in society and the demands placed on government may be reduced. We look at trying to save money, but sometimes we need to look at investing more money in order to have greater savings in the long term. Rather than looking at reducing \$1.6 million for financial counselling services, although at one stage it was reported as \$15 million, we should look at that.

MR P.C. TINLEY (Willagee) [8.00 pm]: I want to pick up on the Appropriation (Recurrent 2015–16) Bill 2015 where the member for Armadale left off, particularly in relation to his really detailed contribution about a really important institution and Western Australian invention—the Clontarf Foundation. I acknowledge the member for Wagin's long-held view of its value as a diversion program and I believe the member for Victoria Park is on the board of the Clontarf Foundation and has a long history of supporting that group, as we all should. I suppose it is emblematic of what is possible. People with energy, knowledge and connections are delivering outstanding results in a youth diversion program.

Many people think that the Clontarf program is about football. That is actually the last thing that it is about. The Clontarf program is about engagement with a range of characteristics that come through from organised sport and that organised sport can deliver for young men. I use the gender-specific term there because, by and large, our communities and the majority of members here see the vast majority of antisocial behaviour and low-level or significant crime in their areas undertaken by young men. I refer to young men who are trying to find their way in the world and carve out a place and a name for themselves, who sometimes get involved with the wrong people and end up doing the wrong thing and fall into the justice system at the light end typically, and then we get an escalation, if one wants to call it a gateway. Clontarf is like many other organised sports. I am a big, big fan of organised junior sport because I believe that there is a certain skill set in the male make-up that needs to be learned, and that is not innate in the majority of young men. I am talking here specifically about my experience of 25 years in the Army, when I led young men and helped to shape their characters into a unified team. The single thing that defines soldiering, if you like, and participation in a team in a uniform in that sense—I make the extension to emergency services, paramedics and police officers as well—is that for young men the act of sacrifice that is service to another is a learned skill, and it must be imparted by the alternative male role

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model in our community—the village that raises the man. They need to understand that they are served best when they are serving others. The Clontarf program is a very good example of using football as a device to teach a life skill that I believe has outstanding results—it has stunning results actually.

It is really interesting that when people talk to a Neesham involved in the program, they will chew his or her ear off until that person walks away, jumps in their car and puts the window up. They will keep talking as the person is driving off. That is the nature of that family. They are tremendous contributors to the community. Certainly, they are not without their controversy, because people with the strong-willed personalities of the Neeshams will get people offside from time to time as they have a single-minded pursuit of their own goals. When one talks to the Neeshams, they all lament that Victoria has a better take-up in the Melbourne metropolitan area of the Clontarf program than we have in Western Australia. I find that stunning. It is completely stunning. Given the track record and results that this program has, we are mad not to invest more and more in this winning formula. There is an old saying that governments should never pick winners—I get that—but governments should always back winners. If Clontarf is having a win, let us get in there and support it.

By extension, I would make the same claim about another unique feature of our community—police and community youth centres. PCYCs are a fantastic part of the architecture of our society. They have been so ingrained in our society for so long that we take them for granted. They just sit there silently doing their thing day in, day out for our young people and older people as well, but certainly for our communities, and we are all ignorant to them. I happen to have the pleasure of being on the advisory council of the Fremantle PCYC, which is in my electorate in Hilton. I was a member of a PCYC when I was 14 years old. I learnt my boxing and basketball skills at that club, and had the benefits of an alternative male role model. I also had the benefits of a non-adversarial interaction with a uniformed police officer.

Mr D.A. Templeman: Were you a boxer?

Mr P.C. TINLEY: Yes.

Mr D.A. Templeman: I thought you had cauliflower ears!

Mr P.C. TINLEY: That is why I worry about the bell. When the bell goes off at three minutes, I have a slight jolt.

The PCYCs deliver all those characteristics—the idea of service to our community and another person at one's own cost and own disadvantage from time to time, which is what makes us great contributors to the community. I am very proud that my son plays basketball at a PCYC and my other sons have done that. My daughter does gymnastics at the fantastic programs that they run.

The PCYC has lost its way over the years. I am very happy that someone like Jock Gillespie is now in charge. He is a former police officer who is well connected with the police department. I think he is doing a good job so far to straighten it up and corporatise the effective and efficient management of the organisation to ensure that it can deliver. It has a lot more growth to deliver, and I think that we should be building more PCYCs and that we should support them. I reckon for a modest investment of recurrent spending, they could actually do very, very good things because they rely on the energy that is already resident in our community of people who want to pay back and deliver those outcomes.

I think organisations such as Clontarf and the PCYCs are really important additions to our community and we cannot take them for granted. The work that the Department of Sport and Recreation does to support these organisations is really important, because it feeds on at the next level. We are an Australian Football League state, but that does not mean we are not a sporting state. In my view, we are quite sporting mad. We are fast getting the reputation as a have-a-go state, particularly in relation to some of what one might call second-tier organisations. Hockey is a very good example. We are absolute world-beaters in the roles that our players play in women's and men's hockey. Of course, soccer is an up-and-coming sport; I think it has one of the highest participation rates for kids. I think there is also a level of sport below elite level—below the West Australian Football League, if you like—that are shovel-ready or near-shovel-ready for a small investment that could extend their capacity and their outreach. For me, junior sport is not about the elite kids. Certainly, it is about pathways that they can follow to find the best talent who can reach the best level that their efforts can deliver for them, but it is about the base; it is about how many kids get involved in organised team—that is the discriminator—sports.

I have a mantra in my house that I am sure many do: my kids will play sport. They will play a summer sport and a winter sport. I do not care what they are. One of them can be a team sport and the other one can be an individual sport, and I am very happy to say that they have participated in a range of sports to find the one that fits them best. The base of the government's own program, Sport4All, is not AFL for all, not basketball for all, but the sport that suits a person's body type, their mindset and their ambitions, which is what that person should

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be channelled into. I always tell a story about the two young nuggets who were playing in a junior soccer match that I attended in my capacity as the local member. These twins were about nine years old and were a couple of endomorphs. They are enjoying themselves playing soccer and I said to their mum that there would be no limit to what these guys could do. These couple of little bookends had some real ability and I asked her whether she thought they were in the right sport. Their mum told me that soccer is what their mates did and it was what they wanted to do, which is clearly always the pathway. I said I reckoned that a couple of boys who look like that would do well in a more physical contact sport. I told her that that the Willagee Bears Rugby League Football Club was just down the road and asked what she reckoned. That was five years ago. Today those boys are knocking on the door of the state team. They are the highest try scorers for their club at various levels from time to time because they found a sport that fitted their body shape, their outlook and their approach to society. They got the opportunity to be involved in a sport that they were successful in, and that success delivered self-esteem. I do not care whether they do not play any higher than fourth-grade or fifth-grade; it is not relevant. Their self-esteem was enhanced by the fact that they were in a sport they were achieving in. I think is an outstanding example of the role that sport plays.

I go back to my point about where government can get involved in providing not necessarily straight cash—I am not necessarily an advocate of that—but a lot more in-kind support. I am talking about the next tier of sports. I give an example of another sport I am involved in, which is water polo. Funnily enough, we come across the Neeshams again; we see them everywhere and there is that Tom Hoad tractor beam that goes around. He is an eight-time Olympian who is still involved in teaching and coaching junior water polo, the under-14s and under-16s, and doing an outstanding job. He is one of WA's few life members and inductees into the FINA hall of fame for all aquatic sports, which is a significant achievement. The guy is a genuine treasure of Western Australia and he obviously needs to be respected for that. WA has consistently contributed to the men's and women's Olympic water polo teams, including coaches and captains. As I said, Tom Hoad is himself an eight-time Olympian—four as coach and four as player and captain. There are a few others along the way, Aaron Younger for example, who is making big money in Europe now. He would probably be one of the most devastating shots in the game and he is a Western Australian boy. His sister is also in the national team. What does water polo need? It does not need wads of cash. It just needs a certain amount of support to inject a professional core into it that will allow that sport to grow. There are swimming pools all over the state. Of course, a certain depth and length is needed for water polo, but there are enough around the state for us to have a thriving team sport—in a very tough environment in the water—that can be transported anywhere in the state. There is no reason there could not be a vibrant summer competition in the regions and the large regional towns in various areas around the state, including an expanded opportunity in —

Mr T.K. Waldron interjected.

Mr P.C. TINLEY: Correct, and who delivered it to Karratha? The bloody Neeshams; they are everywhere!

The point is that there is energy in the sport. There are people who have expertise and all they want is a couple of development officers and potentially a finance officer. This is a really good example of the need for a bit of recurrent support—not just for one year; it needs to be a three to five-year agreement to provide some certainty. It is the same with the police and community youth centres. They need a small injection of money, some for capital, but certainly some for the recurrent expenditure to deliver better programs that genuinely deliver a diversion, if you like, to our community.

I will use my last couple of minutes to circle back onto police. Police in our youth diversion system are really important. A positive engagement with a uniformed police officer early in a young person's life can be profoundly important; it can have a huge impact on them. As I have said in this chamber several times, I have been the beneficiary of that. When I was going the wrong way, I happened to be a participant in the PCYC. I left school very early and ran into a police sergeant who knew that I had had a few troubles. He straightened up and said, "You need to get out of town, mate. Why don't you join the Army?" I had not thought about it until that day and from that day onwards, when I saw the recruiting posters, that was the end of it. I joined the Army and 25 years later I was spat out with two bad knees and a rotten lower back, but certainly with a far better outlook, and I owe that to a copper down in my district who took an interest, had a capacity for community policing and attended to me as a human, as a young fellow who could go on and do other things.

MR P. PAPALIA (Warnbro) [8.16 pm]: I rise to speak on the Appropriation (Recurrent 2015–16) Bill 2015. I cannot let the member for Willagee's contribution go, in particular the comment regarding his knees, without saying that clearly he must have been in vehicle transport, because he only hurt his knees. Had he done any real work, he would have damaged himself far more severely during the course of his career than just a couple of knees.

During this debate on the Appropriation (Recurrent 2015–16) Bill 2015 I want to focus on answering part of a question. I want to provide a bit of insight into a big question that a lot of people around the state have asked in recent times: where did the money go? Anyone would know that we had record revenue throughout the course of

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the Barnett government. Every single year there was a massive increase in revenue with the exception of recent times, and I understand that was only a three per cent drop, not the precipitous drop the Treasurer referred to in his speech. Every single year revenue was outstripped by expenditure. The government managed to spend more than it got every single year and as a consequence we find ourselves in this position. People everywhere around the state are asking where the money went. I have part of an answer.

Dr M.D. Nahan: Look around. You are the only one who does not see.

Mr P. PAPALIA: No, I am not the only one asking that question. The Treasurer wants to get out a bit more. Part of the answer lies in the response the Minister for Corrective Services gave last week to a Dorothy Dixier, using it as an opportunity to suggest in a ludicrous and deeply offensive fashion, but also completely irrelevant fashion because it was so outrageous, that somehow the opposition was in favour of paedophiles or something because we were questioning why the government continued to lock up so many people for minor offences and why so many people under the Barnett government have been imprisoned for things like fine default or less serious offences for which the maximum penalty they could possibly have received was two years or less—effectively the definition of a minor offence. The growth in those numbers has been significant. Of the huge number of people who have gone to prison —

Mr A. Krsticevic: The minister said there were less than 10 in that category.

Mr P. PAPALIA: No, he did not. I see that the government Whip has woken up and made a contribution. I might just elucidate and enlighten him a little on the actual situation. What happens with fine defaulters? On average they stay in prison for 4.21 days, so if on any one day a snapshot of the entire prison muster is made and the number of fine defaulters is counted, there will not be very many because they only stay in for a short time. However, that does not mean that that is inconsequential and it does not mean that it is not important to look at the fact that if money is trying to be saved, if efficiencies are sought —

Mr A.P. Jacob interjected.

Mr P. PAPALIA: Hang on a second, one at a time.

If the government is trying to determine whether what it is doing is effective or not, it needs to look at the accumulative effect of things. Over a year, if there are more than 1 000 people in that position, as it was every single year from 2009 until 2013—last year there were about 745—those sorts of numbers are significant. In the paper that I released to draw the attention of the public and the government to this issue I identified that the actual cost associated with fine defaulters in the course of a year, or recurrent expenditure, was \$2.04 million in 2013. However, that is not correct. Information given to us just two weeks ago by the Auditor General suggests that I underestimated the cost of short stays in prison and that it should in fact have been double that amount. That is because the cost per day for the first week of imprisonment is double the cost per day for the rest of a sentence, because all the administrative costs of and challenges associated with inducting an individual into the prison system are incurred in that first week. Every fine defaulter whose time in jail is less than a week incurs twice the usual cost per day, so the cost in 2013 would have been \$4 million. The response given by some fairly vacuous individuals on the other side of the house would be that they make no apology for locking up people who break the law. Okay, but do they apologise to taxpayers for being ineffective, for making matters worse, for costing us millions of dollars and for then being unable to say what they will do to rein in that cost growth?

Mr A. Krsticevic interjected.

The ACTING SPEAKER (Mr P. Abetz): Member for Carine!

Mr P. PAPALIA: Is the member for Carine going to consider, for instance, that the government has taken an individual whose only offence —

Dr K.D. Hames: It is a nonsense argument.

Mr P. PAPALIA: If the Minister for Health were to listen, he might learn a bit.

The offence that these individuals have committed does not warrant imprisonment. According to the courts, they had a sentence imposed on them for which the penalty was a fine. Those people have been incapable of paying that fine and the government has been incapable of compelling them to do service in the community to pay for that fine. That is the government's failure, not theirs. As a consequence, the government has put those people into prison next to drug dealers, bikies or gang members. The government is turning minor offenders into people who have been exposed to serious offenders and, in doing that, it is costing taxpayers millions of dollars. That is one category that I have drawn to the government's attention. The response from the minister was completely inadequate. He does not understand the entire question that has been put to him. Members opposite should tell me whether they really believe that it is more valuable to the community to fail to compel someone to do some

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service to the community or to pay a fine and instead to incur a significant cost to taxpayers and to produce only a negative outcome. Is that more valuable than considering whether the government is doing the right thing?

Dr K.D. Hames: Have you worked out the actual cost to the government of everyone stopping paying fines because there is no end result?

Mr P. PAPALIA: I commend to the minister an excellent paper that I produced last year, which actually considered exactly the point that the minister just raised. This paper is more significant than the throwaway response from the Minister for Corrective Services; it has had a little more work put into it than that. I looked at the outstanding debt attributed to those people who are incarcerated as a component of the overall debt owed by fine defaulters. The minister asked a fair question. How much does the minister think, as a proportion of the outstanding debt on the fine default register, those people who go into prison owe?

Dr K.D. Hames: I suspect it is very small, but that is not the point I am making.

Mr P. PAPALIA: Of course!

Dr K.D. Hames: The point I am making is that there would be a lot more people who would not have paid their fine.

Mr P. PAPALIA: The answer to the minister's question was that I have worked out that cost. Having been called on it, he is not willing to venture a guess as to how much it is.

Dr K.D. Hames: I said that my guess is that it is small, but that's not the point.

Mr P. PAPALIA: No; the minister asked me how much it would cost.

Dr K.D. Hames: People would stop paying their fines if there were no end point.

Mr P. PAPALIA: Here is the other point. Does the minister know how many of those people on the fine default register either do not pay the fine, do not do community service orders or do not go to prison but still owe the debt? What proportion does the minister reckon those people represent?

Dr K.D. Hames: No idea.

Mr P. PAPALIA: It is 95 per cent. So 94.5 per cent of the debt outstanding to the state of Western Australia on the fine default registry is not being paid and those people are not completing community service or going to jail. The minister asked me whether I have calculated the cost of them not paying their fines. The government is not making them pay their fines! It should go after the wealthy people. It should go after the people who owe money.

Dr K.D. Hames: You are not going to listen.

Mr P. PAPALIA: I do not listen?

The ACTING SPEAKER: Member for Warnbro, I suggest that you direct your comments to the Chair. If you are inviting interjections, you should allow the interjection.

Mr P. PAPALIA: I welcome the interjection from the minister. I will stay quiet for a moment to give him the opportunity to speak.

Dr K.D. Hames: What percentage of debtors pay their fines?

Mr P. PAPALIA: The vast majority of people who incur fines pay them. This is the fundamental flaw with the premise that if penalties are increased, people will be scared into doing the right thing. The people who do not do the right thing are not doing the right thing regardless of the penalty that the government imposes on them through its legislation. The vast majority of the people who incur a fine do pay their fines.

Dr K.D. Hames: I put to you that if there was not an end result—that is, going to jail—a percentage of those people who currently do pay their fine would decide to not pay it because there would not be an ultimate penalty.

Mr P. PAPALIA: On what grounds does the minister make that assumption?

Dr K.D. Hames: Because there's no end penalty if they don't.

Mr P. PAPALIA: There is an end penalty. I am not advocating that there should be no penalty of imprisonment as the final deterrent. What I am saying is that it is not being used as the final deterrent. My argument is that we are not actually making people comply at an earlier stage. If the government were to make people comply at an earlier stage, it would be cheaper and more effective. It would also be less damaging on women and Aboriginal people, who are massively disproportionately represented in that category of fine defaulters who go to prison. It is a very small category of people. In any one year of the last seven years, these people have owed no more than 5.5 per cent of all outstanding debt. Those are the ones who go to prison. The government should not take away the penalty of imprisonment. Rather than coming in here with a silly dorothy dixer and attacking me for

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raising the issue, the government should spend a bit of time and effort on shifting some of its expenditure from imprisonment, which is incredibly expensive. The overall service provision of the Department of Corrective Services has blown out every year. On average, it has grown about 8.5 per cent every year of this government. If a department were worthy of thorough analysis by the Auditor General for wasteful expenditure, it would be this department, not because of some culture but largely because of the factors that are driving the increase in cost and the increase in the number of people being imprisoned. How many people are going to jail just because we are playing this game of ramping up penalties for the same offences? It is not working and those people are now recidivists, so prisoner numbers are increasing. In the government's first 18 months in office the prison population grew by 27 per cent. Over the last 18 months, the Barnett government has grown the prison population by 11.1 per cent. That is not 11.1 per cent of the original number but of the compounded number. The number of people in the prison system is at massively record levels. Members opposite are getting sick of me saying it every year, but it is true every single year. At this time, when the state is going to be confronted with the legacy of this government, it is reasonable to ask whether the government considers this to be an efficient and effective use of money or whether it is wasteful and is causing a worse problem. A large number of people are going into prison every year.

The Auditor General released a report on bail management in June that gave an interesting insight into another category of people. There is a significant number of people, almost as big as the number of fine defaulters—in fact, last year the number was bigger—who went into prison on remand for no reason other than that they could not organise bail. They had to go there while someone was found to give surety or while accommodation was located for them, and while they received assistance from a person called a bail coordinator. How many bail coordinators does the Barnett government employ across Western Australia for the 5 500-plus people in our prison system, of which a significant number are waiting only for bail to be organised? How many bail coordinators do we employ? Four. Where are they employed? Three are located at the Central Law Courts and one at Hakea Prison. Are there any up in Broome, Derby, Roebourne, Greenough or Kalgoorlie? No, there are none there! When people are imprisoned in those locations for short periods or at least are given the opportunity to go to court and are seeking bail and looking for some assistance, they do not get any assistance. I wonder how long they stay in prison for, noting that every single day they are there for that first week costs us \$770 a day, which is double the cost of the longer term prisoners according to the Auditor General. Do not just keep dismissing it, do not listen to the slogans and the silly fob off we get from the minister: get him to ask his department to do some real work and look at alternatives, because we and the government cannot afford what the government is currently doing. This is not productive. This is a wasteful, wasteful expenditure of taxpayers' money, and it is making the community less safe not more safe. The government is turning minor offenders into potentially serious offenders, and it is costing us a lot of money that the government does not have to waste.

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [8.31 pm]: I am sort of intimidated in some respects following the youthful enthusiasm of the member for Warnbro!

Mr P. Papalia: Youthful? I'm older than you are!

Mr R.H. COOK: The member for Warnbro must be youthful.

Mr P. Papalia: I am older than you are!

Mr R.H. COOK: I know the member for Warnbro is, but I wonder what fountain of youth he is drinking from because it is a policy area that clearly the member for Warnbro is very passionate about; he mounts a very good case. I look forward to him continuing to prosecute such a strong argument.

Dr K.D. Hames: Are you younger than him? You look much older.

Mr R.H. COOK: Yes, he is older than me—look at him! It is just ridiculous. But not to worry.

Mr S.K. L'Estrange: Sounds like they are lining up for an episode of *Zoolander*!

Mr R.H. COOK: The member for Churchlands has lost me, I am sorry.

I wanted to make a few observations about the divisions I was involved in during the budget examination. Obviously the points we went to very quickly in our examination of the Health budget were those issues the government has continually championed and those issues around which it has continually let the community down. It is not surprising we went straight to the issue of Royal Perth Hospital. It was a key election commitment in the 2008 and 2013 elections, and it is one on which the government, and the minister in particular, has boasted on many occasions it has won many votes, and it is one on which the government continues to break its promise and cement its approach of election dishonesty and broken promises.

I raised this subject at the start not so much because I want to dwell upon some of the more capital works items for that hospital, but that from the get-go the minister gave what has become a monotonous refrain from this government for why it was not undertaking certain programs any longer, why it was delaying programs, or, in

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this case, why it was not progressing what it had committed to for Royal Perth Hospital. That was all done around the universal excuse of, “We have run out of money.” Of course, the minister did not describe it as running out of money—he talked about it being difficult financial times—but that is what has happened. Through this government’s mismanagement of the state’s finances, we have, essentially, run out of money to do those things that the government told the people of Western Australia it could afford to. We have seen this time and again. At the last election the government’s election promise was that everything was fully costed and fully funded. The community, I think, has an entitlement and right to believe that if a government is coming forward to two elections with regards to some commitments that they are not commitments made solely upon the basis of, “We will get to it at some point in the future if we are so inclined and if we happen to still be the beneficiaries of high revenue growth.” The government should balance the commitments it makes to the people of Western Australia with its financial management, and therefore responsibly go about undertaking those policies that it took to the election.

Of course, we now know that the government went to two elections—2008 and 2013—promising the people, particularly those of the inner northern and inner eastern electorates of Perth, that it would redevelop that hospital so that it would continue to provide hospital services to that area, but additionally the government would redevelop that hospital to the tune of \$200 million. Of course, we have lost all those commitments around the \$200 million. It used to sit in the forward estimates under the redevelopment line item, and the minister would say, “See, it’s in the forward estimates. Trust me, we will get onto it. Clearly it is in the forward estimates; therefore, this is a commitment we are making.” When I asked him about this time and again in the first term, he said, “We’re getting onto it”, and then ultimately he said, “I’ve never said we’d get onto it in the first term; we’ll get onto it in the second term.” Of course, we continued to take him at his word, and he said, “This is a second-term project that we will get onto.” It is obviously with some concern that we see now that there is absolutely no commitment to the redevelopment of Royal Perth Hospital in any of the forward estimates leading up to the next election. We can only assume from the budget, therefore, that government has abandoned it. The minister might say, “No, no, we are still committed to it, we will just do it at some point in time, just not when it is convenient or when we told the electorate we would.”

An example of that is that in the forward estimates \$26 million is sitting in the 2017–18 out years for the redevelopment of Osborne Park Hospital—a redevelopment about which the minister says, “We’re going to do it but we don’t really have any thoughts on what we’re going to do there, so we’re just going to leave the money there as a show of our support and commitment to redeveloping Osborne Park Hospital.” Yet there is no money in the forward estimates for the Royal Perth Hospital redevelopment. We can only assume, through the minister’s own logic, that there is, therefore, no commitment and no intention at all to keep to any of the election commitments the government made around the redevelopment of Royal Perth Hospital.

Of course, we are a little naive on this side of the chamber, and we are at fault occasionally because we take ministers—in particular the Premier—at their word. Of course, the Premier said he would move this minister on from his Health portfolio 12 months out from the next election, and so with all the trust I had in the word of the Premier I thought surely the Premier would not want to misrepresent the truth. With all the trust I had in what the Premier said, I did the only good thing one should do in that circumstance, which is, of course, to wish the minister well in his very last budget round of estimates hearings, only to be shocked to hear —

Dr K.D. Hames: Appalled!

Mr R.H. COOK: Shocked and appalled—I thank the minister! I was shocked and appalled to hear the minister actually contradict me. He said that the Premier was not right —

Dr K.D. Hames: No; he corrected himself just a few months ago.

Mr R.H. COOK: — and that in fact this minister would be back yet again —

Dr K.D. Hames: Sad, but true.

Mr R.H. COOK: — to face another budget round. It will be interesting to see whether we can continue to take the Premier at his word, and it will be interesting to see whether we can continue to take this minister at his word that he will redevelop Royal Perth Hospital, consistent with the commitments he made to the people of Western Australia.

Of course, that is a tricky thing as well because no-one is actually quite sure what the government actually means by the redevelopment of Royal Perth Hospital. In fact, if members were to listen to the Premier today at the conference of the Australasian College of Health Service Management, they would think that there were all manner of thought bubbles, ideas, and extraordinary follies of fantasy about what might go on at that hospital. That really suggests that this government has no idea at all about what it wants to do at that hospital and no idea at all about how it is going to keep that election commitment. One really has to ask the question: where is the vision and the

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planning for this inner city campus that the government so often talks about? Clearly it does not have a vision for what he wants to do at that campus, other than that it wants to sell as much of the land around it as possible.

Dr K.D. Hames: I know what I want to do; redevelop the southern wing, which is a middle-of-the-road outcome, but a middle-of-the-road cost.

Mr R.H. COOK: Yes, but what is clear is that the Minister for Health has a fight on his hands. On the one hand, the Minister for Health stands up in the cabinet room and says, “We have to keep to our commitments and our election promises to the people of Western Australia because this is an important one”, and the rest of the cabinet is sitting around saying, “Why? We didn’t bother about any of the others. We got rid of MAX and we told everyone everything was fully costed, fully funded. We knew that was a long way from the truth. Why do we have to worry about this particular election commitment?” The Treasurer would say, “I heard it’s cheaper to knock the whole thing down”, and the Premier would say, “Well, I’ve got some ideas on it; just wait till it rolls out of the newspapers tomorrow morning, and then you’ll really see how fruity we can get with our thoughts about what we do at this campus!”

What is clear is that the government has no commitment to actually keeping to its election promises. It goes back to the growing list of election promises that it made to the people of Western Australia prior to the last election and the election before. The government says one thing prior to an election and repudiates it at its leisure after the election.

I want to touch on a couple of other issues before I finish up. We obviously heard about the failures at Fiona Stanley Hospital in fulfilling the contract struck with Serco in relation to the delivery of services there. The government has admitted that, in at least five service areas, Serco has failed to live up to its service obligations. Out of a budget of \$45.4 million in payments to Serco between October 2014 and, I assume, the end of May 2015, Serco has been fined \$1 million for failing to deliver the services it is obliged to deliver under its contract. The minister says that this is a sign that the contract is working, because if we are fining the company for failing to deliver the services it means that everything is right in the world. But, of course, it is not a good thing, because the people of Western Australia were promised that there would be no problems associated with the Serco contract and that, in fact, the Serco contract would bring efficiencies and service levels to that hospital that they had not seen in times past when these things were not delivered by the private sector.

Of course, it is not just a cost in terms of glib references to key performance indicators and percentages above or below required service levels; there is a failure to deliver a service to the people in that hospital —

Dr K.D. Hames: If we had those same KPIs in our public hospitals and the same refinements associated, we’d be paying a lot more.

Mr R.H. COOK: But we would not have a situation in which representatives of the private provider say, “We can’t do that; that’s not in our contract”, rather than simply saying, “We are part of the hospital; we are all in this together, and we have to deliver a service outcome.” An example that has been quoted to me recently involved someone asking if an elderly lady could be escorted to her car because the car park was dark and she felt vulnerable. It was explained to the person putting the request that, no, they could not do that, because it was not in their contract. That is the sort of dysfunction we get when we simply chop up an organic and consistent culture within a hospital. When the government chops that up it ends up with service providers saying, “No, I’m not going there, because that’s not written in my contract; that’s not to order”. It reminds me of the story from when the Liberal government privatised cleaning services at Royal Perth Hospital back in the 1990s. There was accumulated dust on some ceiling fans and the cleaners were asked to please clean the dust off. The cleaners explained to management that, no, the cleaning of ceiling fans was not in their contract, and that they did not have to do it. Obviously a solution had to be arrived at, so they arrived at the solution of removing the ceiling fans from the hospital altogether! That is, of course, what we find when we chop up public sector service providers through discrete contracts that, as I say, ride outside the global mission of organisations that deliver health services.

There were some very revealing aspects of the health budget, but it is clear that the government has run out of money; not because of the financial crisis, as has been described, but simply because of its own mismanagement of the state’s finances.

MRS M.H. ROBERTS (Midland) [8.46 pm]: I rise to speak on the Appropriation (Recurrent 2015–16) Bill 2015 and talk in particular about the WA Police estimates committee hearings. Yesterday afternoon I received supplementary information answers from the Minister for Police and I have found that the minister has really treated the Parliament with contempt in her lack of detail in the answers provided. There are a couple of examples I want to highlight as part of that. A number of questions were asked of the minister, and her most frequent retort was, “Perhaps you’d like to put that on notice”. We have already heard cited in this chamber examples of members asking questions of the Minister for Police and putting the questions on notice. One

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example from last week would be humorous if it were not so sad; the member for Warnbro had put a question on notice to the minister and was actually told that if he wanted more detail, he would have to put the question on notice. This is the kind of random contempt with which the Minister for Police treats people.

The worst example I have found was the answer provided in supplementary information B11, division 32, Western Australia Police. In the question I referred to the spending changes on page 363 of budget paper No 2. I asked the minister to provide a breakdown of how WA Police was achieving the one per cent general government efficiency dividend, the 15 per cent procurement savings, and the ICT savings and reform.

The ACTING SPEAKER (Mr P. Abetz): Member, you are aware that this is a third reading speech and not the second?

Mrs M.H. ROBERTS: Yes, I am; I am speaking to the content.

The ACTING SPEAKER: Yes, you are; I just wanted to make sure you were aware. I thought it was the second reading. I have just been informed, so I just wanted to make sure you are aware.

Mrs M.H. ROBERTS: Yes, we did the second reading before the estimates!

If we look at the first page of division 32, Western Australia Police, on page 363, the spending changes are highlighted in the table at the bottom of the page. This is for recurrent spending changes other than cashflow timing changes and nondiscretionary accounting adjustments impacting on the agency's income statement since the presentation of the 2014–15 budget to Parliament on 8 May 2014. There are quite a number of items in the table, but the first of the three that I listed is the one per cent general government efficiency dividend. For 2014–15, that is a change of \$8.9 million. For the 2015–16 budget, there has been \$12.4 million cut out; for 2016–17, \$13 million; for 2017–18, \$13.2 million; and for 2018–19, \$12.984 million. That is what a one per cent cut to WA Police actually means. I asked the Minister for Police whether she was prepared to detail how the government was going to achieve that one per cent. I was expecting to get the detail—the specific programs or the specific issues of how it was saving that money. I was expecting likewise with the 15 per cent procurement savings. The answer we got from the minister during the estimates committee hearing was in a general sense that we could go and shop smarter—we are doing things differently; we are looking for the best price—as if we could somehow shop smarter, get a better deal and then mysteriously we would be able to save out of a police budget \$11.566 million in 2015–16, \$11.190 million in 2016–17, \$10.68 million in 2018–19 and another \$10.392 million in 2018–19. They are very big amounts of money over this year and the forward estimates. The government has already saved \$3.485 million in information and communications technology savings and reforms, so I would have thought that it could have told me how it managed to do that; but, no, it did not. In the out years the savings were \$7.145 million in 2015–16, \$7.323 million in 2016–17 and \$7.506 million in 2017–18. That is a lot of money; added up it would come to over \$100 million. I specifically asked the minister to provide a breakdown of how the government was achieving that. I have the answer. I was waiting for the breakdown because the agreement was that I would get the breakdown. We have the general words in the actual budget papers; we had the general response from the minister during estimates. Would she provide a breakdown? The answer was, yes. The minister basically fobbed me off with the answer: “Yes, I will provide the breakdown.” Wait until members hear what the breakdown is. There is no breakdown. The supplementary answer states —

WA Police has established a comprehensive reform program, ‘Frontline 2020’,—

That is news, is it not—not! It goes on —

to review all services, structure, production and business processes across the agency.

It says there is a review, but the government has already achieved some of those savings. That is interesting. It continues —

This involves examining the efficiency, priority and value for money of all activities carried out, in order to increase the agency's capacity to manage expenditure within approved budget parameters and maintain the delivery of core frontline outcomes.

What a load of gobbledegook! It is just nonsense and this government treats this Parliament with contempt. The final part of the answer states —

These reductions in the WA Police budget have been addressed holistically through:

- staff reductions;
- renegotiation of service contracts; and
- changes to service delivery to internal stakeholders.

Dr M.D. Nahan: Excellent.

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Mrs M.H. ROBERTS: That is the kind of pathetic interjection I would expect from the Treasurer, because he thinks that treating the Parliament and the people of Western Australia with contempt, treating them like mushrooms and telling them nothing, is the way to go. He obviously has encouraged the minister to give this kind of gobbledegook answer—words that mean nothing.

Dr M.D. Nahan interjected.

Mrs M.H. ROBERTS: Treasurer, you are an embarrassment. Do not bother interjecting on me.

Dr M.D. Nahan: Excellent advice.

Mrs M.H. ROBERTS: If I want advice on parliamentary procedure and accountability, I certainly would not be asking the member for Riverton for it.

Dr M.D. Nahan: Ha-ha!

Mrs M.H. ROBERTS: Look at him giggling to himself. It is not funny. You have taken this state into a phenomenal state. You have lost the AAA.

Dr M.D. Nahan: You are complaining about driving efficiencies. The police have done an excellent job and you're criticising them.

The ACTING SPEAKER (Mr P. Abetz): Member for Riverton, she is not inviting interjections. Member for Riverton!

Several members interjected.

The ACTING SPEAKER: Member for Riverton! Member for Midland, direct your comments to the Chair and do not address the member directly.

Mrs M.H. ROBERTS: Mr Acting Speaker, have you called or named the member for Riverton for his incessant interjections?

The ACTING SPEAKER: I have asked him three times to desist and I am calling you.

Mrs M.H. ROBERTS: Does that mean that if he interjects again, he will be ejected from the chamber?

The ACTING SPEAKER: I have not named him, but I have called him to order in the sense of asking him to desist. I pointed out to you, member for Midland, that if you address the Treasurer directly and not the Chair, you are inviting interjections and then if we talk over the top of that, it becomes disorderly. Choose whether you want to answer interjections. If you do not, then direct yourself to the Chair.

Mrs M.H. ROBERTS: As you well know, Mr Acting Speaker, I continued to speak over the top of his incessant interjections and you called him to order a couple of times without actually naming him in any way. I was not taking his interjections whatsoever. I was addressing my remarks to you, until you did not take any action in the first instance.

It is a sad indictment that the Treasurer of this state would show such contempt to the Parliament and the parliamentary processes that he would endorse this non-answer. The Treasurer of this state clearly knows nothing about parliamentary procedures. He has no care for accountability to the Parliament or to the people of Western Australia. I believe we need to know things such as how many jobs have been cut. What a nonsense to say that you can renegotiate service contracts and save \$7 million, \$8 million, \$9 million or \$10 million in a year without any cut to services. We know there have been cuts to services. A contract cannot just be renegotiated and get exactly the same deliverable for significantly less money.

Dr M.D. Nahan: Yes, we can.

Mrs M.H. ROBERTS: The fact of the matter, Mr Acting Speaker, is that the Treasurer is still interjecting, by saying, "Yes, we can", despite the fact that I have looked at you and addressed my comments to you. I am still waiting for him to be called to order for that. He sits there smirking. I would not be smirking if I had taken the AAA credit rating away from this state. If I were staring down the barrel of the debt he has, if I were having to sell off the state's assets and put future generations into debt —

Ms M.M. Quirk: I'd be embarrassed.

Mrs M.H. ROBERTS: Yes, I would be really embarrassed, member for Girrawheen. What a good interjection. The fact of the matter is that jobs have been lost at WA Police, police are under stress, and there have been cuts to services and it has impacted on the front line. This is a gobbledegook answer from the Minister for Police,

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clearly endorsed by the Treasurer. The kind of cover up that is implicit in this answer is also endorsed by the state's Treasurer.

Dr M.D. Nahan: Excellent job.

Mrs M.H. Roberts: They can laugh now, but when they start being that unaccountable to the Parliament and start treating the Parliament and the people with contempt in this way, they are not very long in office. As governments become arrogant, they get chucked out of office. We have seen a huge amount of arrogance from this government. Earlier today I highlighted the arrogance we have seen in the road safety budget. There has been no proper evaluation and money has been spent on pet projects. There has been no proper accountability. Cabinet has taken over that process and in the meantime it has been going through, as was highlighted during the estimates process, despite the fact that there is no shortage when it comes to recruiting police, and it is spending money on government advertising with the label "Bigger Picture". Again that is something that was highlighted during the estimates in the discussion of the recurrent spending on the police department. The fact of the matter is that police recruitment advertising started a few years ago when there was difficulty recruiting enough police. When the mining industry was at its peak, when they could not fill the places in the various recruitment schools, advertising for police numbers commenced. This state needed to recruit from overseas to fill those vacancies, and police officers were recruited from Ireland and the United Kingdom. All the feedback that I have had now—some from police officers themselves who have found that their sons or daughters or nieces or nephews have not been accepted into the police academy despite meeting the necessary criteria for acceptance—is that it is highly competitive to get into the Western Australian police service. That may well be a good thing, but there is no need in this time of fiscal constraint to be spending that kind of money on what is only government propaganda—advertising the Bigger Picture.

Mrs L.M. Harvey: Have you checked your supplementary information answers?

Mrs M.H. ROBERTS: I am not taking interjections. Did we not establish that?

The ACTING SPEAKER: Yes.

Dr K.D. Hames: She's been going through supplementary answers.

Mrs M.H. ROBERTS: Thanks, Minister for Health, for pointing out that I have been referring to the parliamentary answers.

Yes, Minister for Police, I have some information on how much the police advertising campaigns have cost, including expenditure of \$15 million on the police recruitment advertising campaign in 2014–15, following on from \$12 million in 2013–14 and prior to that \$0.965 million in 2012–13. The minister spent 50 per cent more in 2014–15 on police recruitment advertising than she did in 2012–13, despite recruitment being much less of a problem. Also, the promotion of the Bigger Picture local policing advertisement cost \$0.6 million. On top of the cuts that the minister will not identify, the one per cent efficiency saving and the 15 per cent procurement saving on information and communications technology, she is also spending money out of the police budget on what is effectively government propaganda.

I have also looked through the supplementary answers. They were provided to us only yesterday afternoon, despite advice that we would receive those answers last Friday, which I understand is when they were due. One matter that the minister has clarified, for example in the service definition and resource model process, is that there have been staff cuts. I specifically asked —

With reference to the 170 identified under the SDRM process that could be abolished in the future ... what is the status of the employees ... currently ...

The answer is that 48.4 positions are vacant; 22.8 are redeployed to other positions; 16 are current redeployees, and six were separated through the voluntary severance scheme. They are the public servants identified by the SDRM. This is a government that promised in its first term to have 700 more staffing police but provided 550. The comparisons for full-time equivalent staff, which is how they are listed nationally, indicate that nowhere near that number of public servants has been added. The government has in fact cut the number of public servants.

MR C.J. TALLENTIRE (Gosnells) [9.01 pm]: I rise to speak on the third reading of the Appropriation (Recurrent 2015–16) Bill 2015. I will speak to the recurrent side of our state budget and will begin by noting that the environment area in its broadest definitional sense has received terrible, terrible cuts. In its broadest sense we are talking about the budget for biosecurity, the budget for natural resource management and indeed the component that is given to the Minister for Environment for his portfolio duties. We have seen dramatic cuts—an absolute bloodbath in the biosecurity area. Some 18 staff will be sacked in the weeks ahead; we will therefore lose capacity there dramatically. When we think as well that biosecurity currently is addressing matters only of significance to agricultural production with a \$32 million budget dedicated towards protecting the productive side of our natural resources, our economy in the agricultural sector, letting 18 staff go is a very serious threat. We have not begun

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tackling all those other biosecurity threats that are a problem for our natural environment. On the natural resource management side, we have not even managed to get funding through royalties for regions to help the seven regional groups with their ongoing projects.

I turn in this debate specifically to the bloodbath that is occurring in the Department of Parks and Wildlife and its very good programs that are to be slashed; \$7.4 million has gone out of the Parks and Wildlife recurrent budget. I have spoken at some length about the Land for Wildlife program. I will say some more about that program but I want to look at some of the other programs that have been slashed that were very much a part of the Department of Parks and Wildlife's activities. The first is the excellent mallee industry research and development program. I can remember seeing documentaries about this program back in the late 1990s. It was inspirational to see the development of this opportunity to help remediate our wheatbelt that was suffering from all forms of land degradation, primarily salinity, soil erosion and acidification of the soil. The use of mallee trees as a reason to provide a balance in the hydrology was an exciting prospect. It was coupled with the potential for carbon sequestration and renewable energy. It was going to be a closed loop of carbon capture, burning, release into the atmosphere and then capture again through growing more mallees. It was a very exciting project; that has been abandoned. This program, which had so much expertise in it, was part of the salinity action plan. I do not know whether the minister has even visited projects such as this or spoken to people in the natural diversity recovery catchments. That is another program that has gone; it has just been lost. These programs all came under the responsibility of DPaW's natural resource branch. My understanding is that since the end of last year that branch has been phased out and its funds lost. We are losing great ability. In this \$7 million of cuts we are losing so much, as well as the potential to leverage great community local support.

I want to say a little more about the issue of natural diversity recovery catchments. My understanding is that there were six of them, and I hope they will at least remain in name. The catchment projects are named Buntine–Marchagee, Drummond, Lake Bryde, Lake Muir–Unicup, Lake Warden and Lake Toolibin. Those natural diversity recovery catchment projects have been going a long time and developing a means of protecting the natural values, the flora and fauna species, the ecosystems and the threatened ecological communities. Three of these areas comprise Ramsar-listed wetlands as well, yet we are losing the very projects that make sure we are able to re-establish and protect what remains of the natural values in those areas. They are a real loss, yet they have gone because no longer is there in the budget an allocation for the work of the natural resources branch in DPaW. That is a shame. In fact, as I see it, we are perhaps exposing ourselves to some sort of legal liability if we consider the Muir–Unicup project that has undergone terrible soil acidification. Actually, the soil there has dried out and that has brought about some acid sulfate soils. It is a complex substrate of a peaty nature and now we are worried about where the surface water could drain. Once those pyritic soils are released, which brings about the acid sulfate problem, there is then the problem of sheet run-off into adjacent landholders' areas. I think pipes have been put in to capture or divert the surface water, but where does it go? Eventually, acid water runs off a publicly owned property onto neighbouring properties, shedding very acidic water with a very low pH. It is a serious problem, and it has been brought about by these cuts to that great work that has been going on at the Muir–Unicup natural diversity recovery catchment.

Another program that has been lost to us is the Roadside Conservation Committee. That committee, I understand, had two employees in the Department of Parks and Wildlife who were able to work with local governments. They were able to show people how the natural values that remained in areas significant in agricultural terms, although suffering from land degradation, have often been dramatically cleared and altered. The transects that we get alongside the road of natural vegetation can be used for seed collection and revegetation. We would have been using provenance species if we had been doing that. It would have been an excellent way to go. But the work of the Roadside Conservation Committee, which identifies those areas of value and works with local governments to educate them and help them protect the areas, is all being lost. Some of the stories of the work of the Roadside Conservation Committee would educate people such as grader drivers in local government about the significance of vegetation on the roadside, such that the grader drivers became very aware of the significance, and would do anything to avoid something they thought was of value. In many local government areas they became champions of this program.

If we do not have ongoing education, areas such as the wheatbelt and the great southern will see more and more species lost. We must have people in government who can undertake that educative role and ensure that people understand what is there and why it needs to be protected, and demonstrate to the community what the benefits can be. There are productivity gains to be had in an agricultural context by capturing that provenance seed and using it in rehabilitation projects to do things such as reversing hydrological imbalances, halting the rise of groundwater, and stopping the salinity problem and the loss of productive land. However, the government has seen fit to cancel this project; so \$7.4 million is gone from the Department of Parks and Wildlife budget through cuts to the programs such as the mallee industry project, the natural diversity recovery project, the Roadside Conservation Committee and Land for Wildlife. I have obtained some statistics on Land for Wildlife,

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because the government has seen fit to write to members of Land for Wildlife, and I have the letter, hot off the press. It begins —

I am writing to advise you of some structural changes that are being made to the operation of the Land for Wildlife program in Western Australia.

That is not just an understatement; it is absolutely misleading people by saying it is just a restructure. However, the letter does give some interesting statistics. In the 18 years of its operation, the program has gathered together some 2 000 private land managers, managing over 500 000 hectares of bushland, 330 000 hectares of which are dedicated Land for Wildlife sites. That was the power of the program that the minister has seen fit to cancel on the basis that it was not a priority because it was not publicly owned land. I have the latest figures here, because I was able to get to the annual report of the Department of Parks and Wildlife. The current cost of Land for Wildlife management per hectare is 66c. Compare that 66c cost to protect land and encourage good land management through Land for Wildlife with the cost of doing the same job in the conservation estate, which is \$3.43 per hectare. There is a dramatic difference in the cost, and that is just one of the indicators.

The other thing that was really disappointing is that, to my knowledge, no formal evaluation or consultation with staff was undertaken prior to the decision to cancel the program. There is this vague idea that there might be some new delivery model through some regional partnerships. I am unaware of what sorts of regional partnerships are available. No natural resource management group will pick this up, to my knowledge, because they are already flat out and their funds are limited. I cannot see local government picking up Land for Wildlife, and unless they are given the money to do it, I do not think other conservation organisations will be able to pick it up. It will just be lost to us, and that is a real shame. We know that under the Wildlife Conservation Act the minister has responsibility for biodiversity irrespective of the land tenure on which it occurs. It does not matter whether it occurs on private or public land. What a missed opportunity to use the power of the Land for Wildlife program to protect areas on private land.

[Quorum formed.]

Mr C.J. TALLENTIRE: I have discussed how dramatic the cuts have been to the Department of Parks and Wildlife. We have seen cuts in previous budgets, and now a \$7.4 million cut with a dramatic impact on good programs. Much effort and knowledge will be lost because of that.

I want to turn now to my electorate and to some of the comments that my constituents are making about their day-to-day lives and the unfairness they have to endure when it is about the basics of life—paying the rates, paying the water rates. One of my constituents, Barry Turner, came in to see me. He said —

It's so unfair cutting the rebates for seniors. We've earned our stripes. Rates and water rates—they are getting on for \$2,000 a year and going up 4%, 5% every year. It just seems like a scam. Of all the wealth that we've had, most of us pensioners are on the bones of our arse. Surviving on any pension is hard enough; don't cut the rates rebates.

That was Barry's comment about how tough it is for him to go without the seniors' rebates. He went on —

What's the AFL putting into the Stadium? \$10m? What a disgrace. They couldn't make a straight deal if they tried. We get taken to the cleaners every time. Airport roads, Elizabeth Quay, not surprising the credit rating has gone down the gurgler—it's a cycle of doom.

Barry is onto it. He thinks that wealthy organisations such as the Australian Football League should be putting in more than \$10 million towards the cost of the stadium. That should have been locked in in the whole financing arrangement for that multibillion-dollar stadium. Barry, in his wisdom, realises that a great injustice is going on, because people who have worked hard all their lives are missing out on the wealth of the state.

MR D.J. KELLY (Bassendean) [9.18 pm]: I rise to make a contribution to the third reading of the Appropriation (Recurrent 2015–16) Bill 2015. One of the features of this budget is the cuts that have been made to school budgets, particularly the staff, education assistants and teachers who are about to be made forcibly redundant using the provisions of the new Workforce Reform Act. The numbers that are talked about are in the hundreds. I think about 400 education assistants and some 100-plus teachers are about to receive a letter saying that their position has been made redundant. They are now registrable under the Workforce Reform Act, and if they are not found positions, they can be compulsorily retrenched—involuntarily made redundant, using the terms of that act. We asked the Premier about that in question time today. In particular, we asked why the provisions of the Workforce Reform Act were being used against education assistants and teachers, when the Premier had made a clear statement during the debate on that bill that the legislation would be used in the cases of a very small number of public servants—maybe 100 to 200. When the Premier said in his reply today that only 100 to 200 public servants would be affected, he said he was not referring to education assistants. He said

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he had made the government's position on education assistants very clear: there were too many education assistants and their numbers needed to be reduced. That is a complete rewriting of history and to demonstrate that I want to quote what the Premier said in December 2013 on ABC radio when he was asked about the impact of the Workforce Reform Bill. He said —

“The changes in the Workforce Reform bill relate to involuntary redundancy for public servants who cannot be effectively employed,” ...

“It's a small number of people, perhaps 100 maybe ultimately up to 200. That will not impact on members of United Voice.”

For those members of government who do not know, education assistants are covered by United Voice, so most of those education assistants who are currently facing involuntary redundancy are members of United Voice. When the Premier was asked on ABC radio about the impact of the Workforce Reform Bill, he said—I will not read the whole quote, I will finish with the money shot—“That will not impact on members of United Voice.” The Premier knew exactly what he was saying when the Workforce Reform Bill was being debated and he delivered the message out there that the voluntary severance provisions would apply to only a very small number of public servants, maybe 100 to 200, and it would not apply more generally and it would not apply to members of United Voice. He made that statement because during the debate and consideration in detail I asked on several occasions about the impact it would have on members of United Voice and in particular education assistants. The Premier's answer today was not truthful. He had previously made it clear that the Workforce Reform Bill would not apply to the people he is now directing it against. When the Premier of the state cannot be trusted when he makes commitments either about legislation or policy—about people's lives and employment—where does that leave him and his credibility and where does that leave the government he leads?

I raise one other issue about education assistants who are now facing involuntarily redundancy. They are covered by an enterprise bargaining agreement called the Education Assistants' (Government) General Agreement 2013. That was signed by the union and the government in 2013, but it was actually agreed to in late 2012. That agreement has a specific clause 17 “Redundancy and Redeployment”, and 17.4 states —

No Employee will be required to accept a redundancy.

It could not be clearer in its terms. This is an agreement that the government, the Premier, signed up to prior to the election when he was trying to get re-elected. He negotiated with United Voice, the union representing education assistants, and he specifically gave his word through this agreement that no workers covered by this agreement faced compulsory severance—compulsory termination by way of redundancy. He has ripped that up. He is completely ignoring his word—the agreement he made. I notice that government members are all shuffling their feet and reading the paper; it is hard to know what it feels like to be in a government that has treated some of the hardest working and lowest paid people in the public service so shabbily. The government has signed an agreement to say that no-one covered by this agreement will be forced to take redundancies, but it then came to the Parliament and passed the Workforce Reform Bill, which gave the legal authority to override this agreement. During the passage of that bill the government said not to worry because the bill would cover only a small number of public servants and that it would not cover any members of United Voice. Now, two years after the election, 300 to 400 education assistants are facing the prospect of being made compulsorily redundant. I honestly do not know how government members can sleep at night with that level of duplicity. These are some of the hardest working people in the public sector. In our schools they care for students with all range of disabilities. They work hard to make the educational experience of these students as positive and fulfilling as it can be and they do it for a wage that means that it is very unlikely that most of them will be able to buy a house in this economy. Yet what do they get from the government? They get slapped in the face with a level of duplicity that is quite breathtaking, and government members just sit there and suck it up. They sit there and accept to be part of the government that treats the lowest paid in the public sector so shabbily. They should be ashamed of what they are doing and it is no wonder that those people feel so strongly about what their government is doing. I look forward to seeing how many education assistants ultimately face compulsory retrenchment.

I want to move on to the way the government has treated some of the other groups in our committee who are really doing it tough. I turn to the question of cuts to financial counsellors. There are two financial counselling services in my electorate. One is Blue Sky Community Group in Lockridge and the other is the Salvation Army in Morley. Blue Sky has been hit with a double whammy. At the beginning of the year the federal government ended the \$50 000 grant it gives to Blue Sky each year to provide emergency food relief for people in the Lockridge–Morley–Beechboro area. Now, it has been told that that the financial counselling service it provides will be cut as well. A person just has to say that a financial counselling service is not needed in Lockridge to understand what a ridiculous proposition that is. It is one of the areas that is really doing it tough in Perth because of the current economic climate. There are hundreds of people that that service sees every year who are

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really doing it tough. Blue Sky gets about \$107 000 a year for financial counselling and for the government to conclude that cutting that is a wise budget measure just beggars belief. When questioned about this in estimates and today during one of the early debates, the parliamentary secretary simply said that the government is not ending financial counselling services because there are plenty of other services available—there are commonwealth services and Lifeline might have a service—which is absolute nonsense.

Major Lynn Freind at the Morley Salvation Army financial counselling service, which has one counsellor, said that there could easily be two counsellors. The Blue Sky financial counselling service turns people away every day because it does not have capacity. For the government to suggest that it can defund 50 financial counsellors in the metropolitan area and that the demand will be absorbed by other services run by the commonwealth and other not-for-profit organisations is just nonsense. For the government to then attack the financial counsellors for the work that they do and to call them inefficient and to say that they are not achieving their objectives is, firstly, insulting, and, secondly, just not true. Blue Sky, for example, had its service reviewed by the department and was given a clean bill of health. It ticked all the boxes as far as providing an efficient and a professional service. What the government has said is not only insulting, but also simply not true. Members opposite have been incredibly silent on this issue. When the member for Forrestfield got up in the debate earlier today he had an opportunity to stand up for the financial counselling service in his electorate, but he did not do so. Instead, he made a supercilious contribution, during which he held up some cartoons directed at the Labor Party. That was really an opportunity for the member for Forrestfield to stand up for people in his electorate and he did not. On 14 August last year, the member for Forrestfield was happy to put on the public record that he had been to the Foothills Information and Referral Service to deliver a lotteries grant for a new playground. He stated in *Hansard* —

I would like to take this opportunity to place on the record my sincere thanks for the support it gives to families in the Forrestfield electorate.

He gave his sincere thanks, yet he is now part of a government that will rip the guts out of that financial counselling service! Just the other day the member for Forrestfield was quoted in the *Echo News*. The article states —

Member for Forrestfield Nathan Norton said he has long been a supporter and advocate of FIRS and he has spoken about their excellent work in the Parliament many occasions.

He had an opportunity to talk about the excellent work of that service today but he did not; he said nothing about that agency. Instead, he wasted his time by holding up a cartoon directed at the Labor Party. He said nothing to defend the people of his electorate. The member for Forrestfield should take a good, hard look at himself. It is fine to come into this place and make a joke at times. Sometimes that is appropriate. However, on a serious issue such as financial counselling and what the loss of that service will do to his electorate, he should grow up. He should have come into this place and stood up for not only that service and the people who work hard in it, but also the people of his electorate.

MS S.F. McGURK (Fremantle) [9.33 pm]: I welcome the opportunity to speak about some issues that arise from recurrent spending under this year's budget. There is a lot to work with and it is difficult to decide which issues to discuss. I wish I could talk about positive issues for my electorate and the community generally, but what is overwhelming, unfortunately, are our concerns about the general management of the state's finances by this government and also some specific announcements arising from the budget.

I will speak first about an article that appeared in last weekend's *The Sunday Times* about the government's decision to privatise the Fremantle port, including some comments by the Fremantle council about the implications of this decision on the tourism industry and, in particular, the cruise ship industry. A discussion paper put out by the chief executive officer of the City of Fremantle, Graeme Mackenzie, outlines a number of issues that need to be considered with the privatisation of the port. He made a number of good points. I am indebted to him for summarising a number of the issues that not only the council, but also the community will need to be aware of. We have been given no indication that the government has thought about these issues or any implications of the sale of the port. Graeme Mackenzie made the point that a week before the budget was announced, Fremantle council was in discussions with the Fremantle Port Authority about operational matters. This is something the council does regularly with the port authority, with which it has a good relationship. In that meeting, the authority made it clear to the council that it did not consider that privatisation of the port was on the government's agenda. It is very clear from this and other reports that the government did not think it was at all necessary to consult with the authority, its management or its board about the sale of the port. That is an extraordinary situation. This is the organisation that has a statutory obligation to oversee the good management of the port. Nor did the government think it was necessary to consult the local council on this matter, which represents the community that will be most directly impacted by the sale. Graeme Mackenzie's discussion paper

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covers a range of issues and matters that need to be at the front of our minds when considering the sale of the port.

Have we been given any guidance or leadership from the state government on the thinking behind the sale or of any of the many issues that will arise from the sale? There has been none whatsoever. We have been given absolutely no indication that these matters have been considered by the government, let alone there having been any strategic thinking about the sale of the port or many of the government's other assets. I cannot think of a worse time for a government to enter into the sale of this sort of strategic asset. The market is in a poor state at the moment. A number of ports in other cities, most notably in Melbourne, are up for sale. The sorts of companies that would consider the sale of Fremantle port will be preoccupied with the sales in the eastern states. In general, in terms of the market cycle, this would not be a particularly attractive time to sell. Whether it is the sale of Fremantle port or of small landholdings in any of the suburbs in Perth, there has been no strategic consideration by the government of the best time to sell. It is simply a matter of the government needing the cash so deciding to sell now, with very little consideration given to the best return for the taxpayers of Western Australia.

That is one issue but there are many more. Another issue was raised in the article in *The Sunday Times*—that is, the impact of the sale of the Fremantle port on the cruise ship industry, which brings about 100 000 passengers into Fremantle each year. In the council's opinion, that industry —

“is at a very high risk of being lost in the move to a private port operation”.

Has the government given any consideration to the implications of a privatised port on the very important tourism sector? The council makes the point in that discussion paper, and I know from my own experience that it has been working hard and in cooperation with the port authority to make sure that people who come to the port in cruise ships have a positive experience. I think there are probably some challenges there, considering the infrastructure at the place where people disembark. I think there are some challenges there given that it is quite old infrastructure. Notwithstanding that, the council and the port authority have been working hard to ensure that the 100 000 passengers who come each year have a positive experience and want to spend their tourism dollars in Fremantle and Perth, and actually want to come back and visit a second time. But, as I said, it looks as though the state government has given no consideration whatsoever to the implications of a privatised port.

What was the Premier's response to what I think was a very important point about our tourism industry and the impact of the sale on the cruise ship passengers? Was the Premier's response, “Well, the council raises this and, in fact, a number of other good points. We will want to meet with the council and the tourism sector that is affected by this decision, and ensure that we take those issues into account when we enter into a lease arrangement or a sale arrangement or whatever form the privatisation will take”? Did the Premier say that? No, he did not. I will read a report from *The Sunday Times* of what the Premier did say. The article reads —

The criticism —

That is from Fremantle council —

yesterday drew a warning from Premier Colin Barnett, who said Fremantle should not “bite the hand that feeds you”.

“If there are matters that come out of the leasing of the Fremantle Port that affect the City of Fremantle we will certainly consult with them about that,” Mr Barnett said.

“But not about the decision to sell the port. That's been made.

“But what I found ironic is that at the same time the City of Fremantle is saying that, and also been involved in organising a protest against building Roe Stage Eight, they are lobbying us quite hard and quite properly for the State Government to relocate the Department of Housing to Fremantle, which would bring a lot more workforce into the town, a lot more jobs and give a boost to redeveloping the central area of Fremantle.

“So it comes to mind, ‘Don't bite the hand that feeds you’. They are wanting things out of the State Government, then at the same time they are being critical, that's not a good way of going about your business.”

That is an extraordinary comment from the Premier. He says to the council that when it raises legitimate issues that the government might want to think about in relation to the sale of an enormous asset that the port authority itself was given no warning of, let alone the council or the rest of the business community or the community at large, it had better be careful because the government might think about not honouring one of its previous commitments or promises to relocate the Department of Housing. If the council should deign to criticise the government's \$1.6 billion road freight link that does not even get to the port, the government might think about

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not honouring its promise to relocate Housing. That is an incredible statement by the Premier that really speaks volumes of his arrogance.

The Premier said that Fremantle council should be careful and not bite the hand that feeds it. Let us have a close look at exactly what this government has been dishing out to the people of Fremantle. I have spoken previously about the frustration of the council and its decision to withdraw a 40-something year relationship with Warrawee Women's Refuge. This government was saying to the council that if it was going to continue to run that refuge, it would provide only fixed funding for three years. The funding was already inadequate, but the government was going to give the refuge fixed funding; that is, the funding has to come more and more from council. So the council said, "That's enough; we're withdrawing our support for Warrawee Women's Refuge." In the process, the state government has lost a contribution—I think last year it was around \$100 000 a year—as a result of its mean-spiritedness to the women's refuge. That is an enormously important facility for the community and I will be keeping a close eye on it to ensure that it continues operating.

Many members in this house—from this side at least—spoke today and last week of the enormous benefits from the operation of the financial counselling service. At the moment, the City of Fremantle is considering whether it will pick up some of that work, but it is frustrated by this decision to cut funding. I could have spent my whole allocation of time on this item alone speaking about the very good work done by the financial counsellors at both Fremantle and Cockburn. I have some very good case studies and practical examples of the work that those counsellors have been doing. This decision is a poor and mean decision by government, as I think the member for Armadale said. To withdraw funding for financial counselling is a short-sighted decision by this government.

What else has this government dished out to the people of Fremantle? It has dished out an increase in interest rates. The government guarantee fee has not only increased from 0.1 per cent to 0.7 per cent, but also has been made retrospective, creating a huge impost on councils and ultimately ratepayers and many of the community organisations that rely on council loans. I could talk about the 1 900 jobs that have gone from Fremantle Hospital as a result of the opening of Fiona Stanley Hospital. We understand that some of those jobs had to go with the reconfiguration, but we do not agree and the community does not accept that it was a good idea to close the emergency department. I could talk about the \$80 million taken away in forward estimates under the Barnett government that Labor had allocated towards a new traffic bridge. The Barnett government took that money away and is instead doing a patch-up repair job on the traffic bridge that is currently underway now. This is a traffic bridge that successive engineers have said needs to be replaced.

I will talk now about the flashing lights at schools. There has been a lot of talk and announcements made by government on this matter, but my electorate has only one school with flashing lights to assist with school safety outside the school area. That is what this government dishes out. When the council deigns to say that perhaps the government might think about some of these issues, such as the effect on the tourism industry and the many other issues in relation to the privatisation of the port and the incredibly wrong-headed decision to allocate huge infrastructure dollars to the Perth Freight Link, it is told by the Premier, "Watch your step, Fremantle, or we might not honour our promise to relocate the Department of Housing." That promise was made in 2012 and still has not been delivered on. Let us see if that promise is ever delivered on.

Debate adjourned, on motion by **Mr J.H.D. Day (Leader of the House)**.